

ASSEMBLY BILL

No. 3074

Introduced by Committee on Governmental Organization (Torrico (Chair), Charles Calderon, Davis, De Leon, Evans, Jeffries, Levine, Mendoza, Portantino, Price, Soto, and Tran)

March 13, 2008

An act to amend ~~Section 19596~~ *Sections 19596 and 19596.2* of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 3074, as amended, Committee on Governmental Organization. Horse racing.

Existing law provides that the California Horse Racing Board may authorize a California harness racing association conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Breeder's Crown Stakes, the Meadowlands Pace, the Hambletonian, or the North American Cup.

This bill would authorize the board to permit a California harness racing association conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Kentucky Futurity.

Existing law authorizes a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the

association or fair, without the consent of the organization that represents horsemen participating in the race meeting and without regard to the amount of purse, provided however, that the total number of thoroughbred races on which wagers are accepted statewide in any given year does not exceed the total number of thoroughbred races on which wagers were accepted in 1998. Existing law also provides, subject to exceptions, that the total number of thoroughbred races imported by associations or fairs on a statewide basis under these provisions not exceed 23 per day on days when live thoroughbred or fair racing is being conducted in the state.

This bill would delete the restriction limiting the total number of thoroughbred races on which wagers are accepted statewide in any given year to a number not exceeding the total in 1998, as specified. The bill would also provide that, subject to exceptions, the total number of thoroughbred races imported by associations or fairs on a statewide basis under these provisions shall not exceed 32 per day on days when live thoroughbred or fair racing is being conducted in the state.

Under existing law, all revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

This bill would authorize additional wagering, and would increase correspondingly the amount of continuously appropriated license fees, thereby making an appropriation. This bill would also result in a change in state taxes for the purpose of increasing state revenues within the meaning of Section 3 of Article XIII A of the California Constitution, thereby requiring a $\frac{2}{3}$ vote for passage.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19596 of the Business and Professions
- 2 Code is amended to read:
- 3 19596. (a) Notwithstanding any other provision of law, the
- 4 board may do any of the following:
- 5 (1) Authorize a licensed harness racing association that is
- 6 conducting a live racing meeting in this state to accept wagers on
- 7 the full card of races conducted by another racing association on

1 the day that other association conducts the Breeder's Crown Stakes,
2 the Meadowlands Pace, the Hambletonian, Kentucky Futurity, or
3 the North American Cup.

4 (2) Authorize a licensed quarter horse racing association that is
5 conducting a live racing meeting in this state to accept wagers on
6 races conducted by the racing association that conducts the
7 American Quarter Horse Racing Challenge, if the races are
8 conducted on the same day as the American Quarter Horse Racing
9 Challenge.

10 (3) Authorize the inclusion of wagers authorized pursuant to
11 this section in the parimutuel pools of the out-of-state association
12 that conducts the races on which the wagers are placed.

13 (b) The board authorization may be granted under this section
14 only if both of the following conditions are met:

15 (1) The authorization complies with federal laws, including, but
16 not limited to, Chapter 57 (commencing with Section 3001) of
17 Title 15 of the United States Code.

18 (2) Wagering is offered only within the racing enclosure and
19 only within seven days of the running of the out-of-state race.

20 *SEC. 2. Section 19596.2 of the Business and Professions Code*
21 *is amended to read:*

22 19596.2. (a) Notwithstanding any other provision of law and
23 except as provided in Section 19596.4, a thoroughbred racing
24 association or fair may distribute the audiovisual signal and accept
25 wagers on the results of out-of-state thoroughbred races conducted
26 in the United States during the calendar period the association or
27 fair is conducting a race meeting, including days on which there
28 is no live racing being conducted by the association or fair, without
29 the consent of the organization that represents horsemen
30 participating in the race meeting and without regard to the amount
31 of purses; ~~provided that the total number of thoroughbred races~~
32 ~~on which wagers are accepted statewide in any given year does~~
33 ~~not exceed the total number of thoroughbred races on which wagers~~
34 ~~were accepted in 1998.~~ Further, the total number of thoroughbred
35 races imported by associations or fairs on a statewide basis under
36 this section shall not exceed ~~23~~ 32 per day on days when live
37 thoroughbred or fair racing is being conducted in the state. The
38 limitation of ~~23~~ 32 imported races per day does not apply to any
39 of the following:

1 (1) Races imported for wagering purposes pursuant to
2 subdivision (c).

3 (2) Races imported that are part of the race card of the Kentucky
4 Derby, the Kentucky Oaks, the Preakness Stakes, the Belmont
5 Stakes, the Jockey Club Gold Cup, the Travers Stakes, the
6 Breeders' Cup, the Dubai Cup, or the Haskell Invitational.

7 (3) Races imported into the northern zone when there is no live
8 thoroughbred or fair racing being conducted in the northern zone.

9 (4) Races imported into the combined central and southern zones
10 when there is no live thoroughbred or fair racing being conducted
11 in the combined central and southern zones.

12 (b) Any thoroughbred association or fair accepting wagers
13 pursuant to subdivision (a) shall conduct the wagering in
14 accordance with the applicable provisions of Sections 19601,
15 19616, 19616.1, and 19616.2.

16 (c) No thoroughbred association or fair may accept wagers
17 pursuant to this section on out-of-state races commencing after 7
18 p.m., Pacific standard time, without the consent of the harness or
19 quarter horse racing association that is then conducting a live racing
20 meeting in Orange or Sacramento Counties.